

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION No.2476

ANSWERED ON MONDAY, AUGUST 4, 2025/SRAVANA 13, 1947 (SAKA)

FINANCIAL INCLUSION TO POOR PEOPLE

2476. DR. M P ABDUSSAMAD SAMADANI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that the financial inclusion achieved by opening bank accounts has not translated into credit inclusion for many poor households;
- (b) whether there is any plans to assess the creditworthiness of such accountholders using alternative metrics or data sources and if so, the details thereof;
- (c) whether the Government has evaluated the reasons for resorting low-income households with bank accounts to borrow from moneylenders, chit funds and informal sources;
- (d) if so, the details thereof; and
- (e) the steps being taken to ensure financial inclusion extends beyond deposit access to meaningful credit availability?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (e) The Government is committed to deepening financial inclusion and ensuring that access to basic banking services leads to meaningful participation in the formal financial system, including access to credit. The launch of the Pradhan Mantri Jan Dhan Yojana (PMJDY) in August 2014 marked a significant step in banking the unbanked by facilitating the opening of basic savings bank deposit accounts, with associated features such as RuPay debit cards and an in-built overdraft facility. As on date, over 55.90 crore accounts have been opened under PMJDY.

The Government has, *inter-alia*, undertaken several measures to ensure that credit inclusion complements deposit inclusion, with a strong focus on funding the unfunded:

- (i) The Pradhan Mantri MUDRA Yojana (PMMY) was launched and provides collateral-free credit of up to ₹20 lakh to micro and small enterprises, thereby enabling self-employment and income generation. Since its inception, 53.85 crore loans amounting to over ₹35.13 lakh crore have been sanctioned under the scheme.
- (ii) Dedicated schemes such as Stand-Up India (SUPI), PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi), PM Vishwakarma, and the Prime Minister's Employment Generation Programme (PMEGP) have been implemented to expand credit access for SC/ST and women entrepreneurs, street vendors, artisans, and other micro-enterprises.
- (iii) Credit Guarantee Mechanisms: Includes the Credit Guarantee Fund for Micro Units (CGFMU) and the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), which reduce credit risk for lenders and incentivizes formal lending to underserved segments.

To strengthen credit assessment frameworks for individuals lacking conventional credit history, the Government is leveraging technology and alternative data sources:

- (i) A Grameen Credit Score has been announced to support credit appraisal of Self-Help Group (SHG) borrowers and rural populations, including farmers and marginalized communities. This initiative is expected to enhance the quality and objectivity of credit decisions and facilitate improved access to formal credit in rural areas.
- (ii) The MSME New Digital Credit Assessment Framework by Public Sector Banks makes use of integrated data from Income Tax returns, GST filings, and utility payments to enable faster and more precise credit evaluation.
- (iii) The Jan Samarth Portal, a unified digital platform, has been launched to connect credit seekers with eligible Government schemes, thereby enhancing transparency, reducing processing time, and improving outreach.

Further, Reserve Bank of India (RBI) mandates Priority Sector Lending (PSL) targets to ensure that credit flows to sectors such as agriculture, micro and small enterprises, weaker sections, and other underserved areas of the economy. Through these concerted efforts, the Government aims to ensure that financial inclusion evolves from mere access to bank accounts to encompass equitable access to timely and affordable credit, thereby promoting inclusive growth.
